

Meeting Minutes
New Prague Economic Development Authority
Wednesday, May 12, 2010

1. Call Meeting to Order

The meeting was called to order at 7:30 a.m. by Bruce Wolf with the following members present: Dirk Berger, Pete Sletten, Nick Slavik, and Mayor Bink Bender. Absent: Andrea Burkhardtmeier and Kristin Guerrette.

City Staff Present: Executive Director Michael Johnson and City Planner Renee Christianson.

2. Minutes / Financials

- a) It was moved by Berger, seconded by Slavik to approve the March 10th and April 14th, 2010 minutes as submitted.
- b) It was moved by Slavik, seconded by Berger to approve three claims for payment totaling \$9,230.96. Motion carried (5-0)
- c) The financial reports which included the Income Statement and Balance Sheet were accepted as submitted. It was noted that a satisfaction of mortgage should be filed if Neil Dornbusch has completed his payments to the EDA.

3. Request for Proposal – Industrial Park Master Plan and Feasibility Report

A draft Request for Proposal was submitted to the EDA for review and discussion. The RFP was created as a first step in working towards the City Council's goal of "expanding and developing the City's industrial property". Executive Director Johnson provided background information and noted that the City Council will need the information contained in the proposed master plan and feasibility report to identify potential development costs, and to determine the feasibility of the City developing the property.

Nick Slavik asked if, because the City does not know if they will eventually be purchasing the land, completing the feasibility report could be looked at as a subsidy to someone else, such as the current land owner. Mayor Bender asked whether the RFP was premature or whether the EDA should wait to solicit proposals.

After lengthy discussion, the EDA members agreed to authorize the Request for Proposals, and that the information contained in a feasibility report would be a good investment, whether the feasibility report is used by the City, or used by a private developer to spur industrial development.

It was moved by Berger, seconded by Slavik to approve the Request for Proposal for Professional Master Planning Services and Engineering Feasibility Report for the Phase II Industrial Park. Motion carried (5-0).

4. Industrial Park Market Analysis

It was noted that a market analysis of industrial property may also be needed at some point in the future, if the EDA continues to analyze the viability of an expanded industrial park. The market analysis would help identify competition in other areas, and the market demand for industrial property. City staff has previous experience with the McComb Group and Maxfield Research. No action was taken on this item; it was provided for informational purposes only at this time.

5. Review Cost Estimate for Appraisal of Genex Property

Renee Christianson reported that the EDA had asked for a cost estimate for appraising the property owned by the EDA and rented by Genex. Bowler Appraisals provided a cost estimate of \$2,200. This format would evaluate the property based on three separate approaches to valuation; a cost approach, a sales comparison approach, and a replacement approach. The information was taken under advisement; no action was taken on this item.

6. New Prague Opportunities Donation – Resolution Accepting Donation

The EDA was presented with a resolution accepting the donation from New Prague Opportunities. The donation, received in 2008, was not accepted by resolution which is a requirement of Minnesota Statute. The resolution is a follow-up action to ensure that the EDA and City are complying with the laws regarding donations.

It was moved by Bender, seconded by Sletten to approve the EDA Resolution #10-05-12-01. Motion carried (5-0).

7. Monthly Updates and Business Inquiries

Renee Christianson reviewed the business inquiries received by city staff and various updates, which included the closing of Payton's Pets, opening of the Landmark Café, and opening of a used furniture store planned for May 28, 2010.

8. Executive Director's Report

Director Johnson explained the difficult financial position the City is in relative to the state budget cuts and recent Supreme Court rulings.

9. Miscellaneous

- a) Renee Christianson noted that the LeSueur County was notified they received a housing rehabilitation grant for low/moderate income families. At least five of the home will be in New Prague, on the LeSueur County side of the city. The grant amounts will be up to \$25,000.
- b) Renee Christianson and Bruce Wolf noted that the SPEDCO foundation was matching grants made by Minnesota banks to organizations working in the area of community economic development, with a strong preference for programs promoting job creation. President Wolf stated that the State Bank may be interested in providing the match if we can think of a good use for the money.
- c) It was noted that New Prague based Electromed, Inc. is going public, seeking \$13.8 million in public offerings. The Star Tribune article noted that they would utilize the funds for research and development, and establishment of a marketing team.

It was moved by Berger, seconded by Slavik to adjourn at 8:45 a.m.

Respectfully submitted,



Renee L. Christianson
City Planner